

DOCUMENT RESUME

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[Comments on H.R. 1503, the Federal Grant and Cooperative Agreement Act of 1977]. HRD-77-48; B-179183. March 11, 1977. 2 pp.

Report to Rep. Jack Brooks, Chairman, Fouse Committee on Government Operations; by Robert F. Keller, Acting Comptroller General.

Issue Area: Federal Procurement of Goods and Services (1900).

Contact: Human Resources Div.

Budget Function: General Government (800).

Organization Concerned: Office of Management and Budget.

Congressional Relevance: House Committee on Government Operations.

Authority: Federal Grant and Cooperative Agreement Act of 1977; H.R. 1503. Federal Grant and Cooperative Agreement Act of 1976; S. 1437. S. 3514 (95th Cong.).

Comments on H.R. 1503, the Federal Grant and Cooperative Agreement Act of 1977, support the enactment of the bill. Findings/Conclusions: The legislation has a laudable goal--to clarify and maintain the legal instruments through which the Federal Government acquires property and services and furnishes assistance to State and local governments and other recipients. Specifically, it requires the Office of Management and Budget to study alternative means of implementing Federal assistance programs, and if feasible, to develop a comprehensive system of guidance for Federal assistance programs. GAO has testified three times before congressional bodies in support of similar legislation. Enactment of H.R. 1503 would have the effect of adopting the substance of two recommendations (F-1 and F-2) of the Commission on Government Procurement. (DJM)

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

Room 6142

B-179183

MAR 11 1977

The Honorable Jack Brooks
Chairman, Committee on Government
Operations
House of Representatives

Dear Mr. Chairman:

We refer to your letter of January 27, 1977, requesting comments on H.R. 1503, the Federal Grant and Cooperative Agreement Act of 1977.

On July 10, 1974, we testified before the Ad Hoc Subcommittee on Federal Procurement and the Subcommittee on Intergovernmental Relations, Senate Committee on Government Operations, regarding the then proposed similar bill S. 3514. On November 25, 1974, we also testified before the House Subcommittee on Legislation and Military Operations, regarding S. 3514 as it passed the Senate on October 9, 1974. Again, on September 13, 1976, we testified before the Subcommittee on Legislation and National Security, House Committee on Government Operations, regarding H.R. 15499, which was identical to S. 1437 as it passed the Senate on August 31, 1976.

The President, on October 22, 1976, withheld his approval of S. 1437, the Federal Grant and Cooperative Agreement Act of 1976.

As indicated by the President in his memorandum of disapproval, this legislation had a laudable goal—to clarify and rationalize the legal instruments through which the Federal Government acquires property and services and furnishes assistance to State and local governments and other recipients. The bill would establish three categories of legal instruments which Federal agencies would be required to use: procurement contracts, grant agreements, and cooperative agreements. These categories would be defined according to their different purposes.

In my letter to you of November 29, 1976, I expressed my disappointment with the President's action.

H.R. 1503 is identical to S. 1437 and requires the Director of the Office of Management and Budget to undertake a study which would (1) "develop a better understanding of alternative means of implementing Federal assistance programs * * *," and (2) " * * * determine the feasibility of developing a comprehensive system of guidance for Federal assistance programs."

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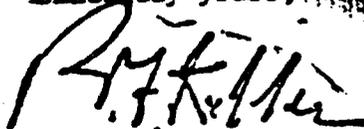


Enactment of H.R. 1503 would have had the effect of adopting the substance of two recommendations (F-1 and F-2) of the Commission on Government Procurement. As you know, I was a statutory member of the Commission and supported each of the two recommendations.

We continue to support the adoption of both Commission recommendations, as provided for in H.R. 1503 and for the same basic reasons offered by the Commission. We believe enactment of H.R. 1503 will be a significant step forward and that the study called for by section 8, addressing the matters set forth in the relevant part of the Commission's report, will set the basis for further significant progress.

In summary, we urge the enactment of H.R. 1503. We continue to stand behind the two recommendations of the Procurement Commission and will be happy to testify further to that effect if called upon.

Sincerely yours,



Acting Comptroller General
of the United States